CHRIS ANDERSON, EXECUTIVE DIRECTOR, ILLINOIS COUNCIL ON
COMPULSIVE GAMBLING

CHAIRMAN JAMES: Thank you, and let's begin. And we will start with Mr. Anderson.

MR. ANDERSON: Thank you. I deeply appreciate being invited to testify at this Commission meeting. My name is Chris Anderson. I wear a number of different hats in this field. I am Executive Director of Illinois Council on Problem and Compulsive Gambling. We are the Illinois State affiliate of the National Council on Problem Gambling. We have over 35 affiliates in states around the country. I might add, as a bit of an advertisement, we are hosting the National Council on Problem Gambling annual conference in Las Vegas this year, the third week of June, June 20, 21 and 22, where we address issues of problem and compulsive gambling all over the world. We'll have international speakers in for that conference.

I also am a marriage and family therapist. That was my chosen profession until I left that in the early 1980's and became a retail stockbroker, and in the process of that discovered gambling in the markets. I was fascinated with the discussion on the securities market yesterday because 100 percent of my gambling took place in the securities market.

When I set out to make a career for myself, what I succeeded in doing was destroying my life, my family's life, bankruptcy, losing a home to foreclosure and walking around in circles in a state psychiatric hospital facility. So as a marriage and family therapist, I gambled away my marriage and my family, and as a financial professional, I went broke. So I...
didn't do so well in the early parts of my life. That's the major reason why I'm here today, because a power greater than myself saw fit to pick up the pieces of my life that I had broken, and put those back together for some purposes greater than my own self and my own ego needs to make a fortune.

I am privileged to work with compulsive gamblers in many different ways. I have a very active private practice as a clinician, where I work almost exclusively with compulsive gamblers and their families. I also train mental health professionals all over the United States and Canada in diagnosis assessment and treatment. Everybody who testified yesterday from various states, various communities, we have been in there training professionals with varying degrees of success. And I also work as a forensic expert. I testify in Court on legal proceedings on behalf of compulsive gamblers and their families, addicts who have crossed the line into illegal activity because of their gambling.

By the way, I'm also very involved in the political process which is kind of a default. I'd rather not do that. It's very draining and it tends to distract me from what I really want to be doing which is working with compulsive gamblers, but that's been part of it. It helps me to understand what we're dealing with when I think in terms of the addiction of compulsive gambling.

It seems to me that we as a society are addressing this issue as addicts in denial. For example, one characteristic, the primary characteristic of the addiction is -- and I'll read from the DSM-4 criteria -- the need to gamble with increasing amounts of money to achieve the desired level of
excitement. With all the Powerball publicity, it's interesting to note, maybe five or six years ago we would see newspaper stories when we had a $10 million jackpot.

And if we had been sitting here doing this Commission that many years ago, maybe seven years ago, maybe eight, I don't know what the numbers are, we'd be talking about the $10 million jackpot. I want you to know nobody stands in line for $10 million anymore. Nobody stands in line for 20, 30, 40, $50 million. It takes an increasing amount of money in the jackpots in order to get our collective attention, in order to get our collective juices flowing such that those numbers appear in the media.

Now, the other end of any addiction is the need for immediate gratification. I think it's no accident that the bulk of the lottery revenues come from the quick picks, the instant scratch offs or the immediate gratification games. That's where the bulk of the lottery revenues come from. So we can see, just in the progression of the state lotteries, we can see one of the primary manifestations of the addiction in our society.

The other manifestation of any addiction is denial and minimization. I think it's very interesting to sit in the audience and to read reports from economists who present economic surveys, and we've got the Tribune article that's been referred to several times yesterday about the economic reports that was presented, and it very clearly says that what was eliminated is the cost of problem and compulsive gambling.

Now, what any addict does is we either completely deny that the problem exists or we say yes, there's a problem and that's all the farther we go with it, then we look in other
directions. I think that's what happened with the states, specifically the State of Illinois. You have in your Exhibit packet, for example, a copy of the 1991 annual report and wagering study, page number three in your Exhibit. This report has eleven and a half pages of text and starting on page seven, the whole text concerns the issue of problem gambling. This is the State of Illinois, 1991. And it says specifically, section 5 C11 of the Riverboat Gambling Act requires the Board to review the pattern of wagering and wins and losses by customers of the riverboat casinos, and then skip down, in order to protect people from gambling beyond their means.

Today the State of Illinois does not spend one single dime to address the issue of problem and compulsive gambling. Here we are in 1998, there was a one time allocation three or four years ago, but today there is nothing spent. It also says the most effective way for gaming operators to deal with pathological gamblers is by placing those persons in a meaningful therapy program rather than by imposing loss limits. I'm not sure it's the responsibility of the gaming industry to be in charge of placing compulsive gamblers in treatment programs. But clearly, wherever I've been in the United States and Canada, the most effective programs involve treatment dollars for compulsive gambling.

What I'm saying to you is that another characteristic of any addiction is talking the talk and not walking the walk. The talk has been there. However, the actions to follow up the talk has been lagging far behind or in some cases, it's non-existent. For example, in my written testimony I refer to a single question. I'm not an economist. I don't know how to get
at all the complex answers. But I can tell you, in response to several of the mayors that were testifying yesterday, where they talked about win, win, win, win. It is the nature of any bet simply that there is at least one winner and at least one loser. By definition that is what constitutes a wager.

Now, what happens is when we focus on the win side, either individually or collectively, we feel good. People win, it feels good, we have jobs, we have economic growth which some people I guess would argue, but clearly there are jobs provided. We heard from a number of those people yesterday. That is true, it is all there in the same way that in the course of my gambling there were many times that I won. That simply happens. That's the nature of the animal.

But there is also the other side which is the loss side. What happens is when we focus on the loss side, when the addict begins to focus on the loss side, they don't feel good. It hurts, it's painful. We're a society of pain avoiders. That's the nature of an addiction. So my simple answer to why the economists don't focus on this I think is because it hurts, collectively it hurts. It hurts for us to take a look at answering the question, how much does it cost, for example, the State of Illinois to prosecute and incarcerate compulsive gamblers.

Now, nobody has reduced the revenue by the $800,000 that an individual gambled away at one of our local casinos over the last couple of years and ended up killing herself three weeks ago. I had talked to them about being there, the survivors, but they are not in a place to do that. Nobody has figured in the balance sheet, the quarter of a million dollars that an
individual stole and gambled 100 percent of that away at one of
the casinos and then the same taxpayer who is deriving benefit
from that is also having to pay for the prosecution and now the
incarceration cost of it. Those numbers are not subtracted.

It is as if what we do is we count all the deposits
and do not count the checks that we're writing out of our
checkbook. If I did that personally, you would call me fiscally
negligent. If the CFO of your corporations did that, you would
fire them and either they're civilly negligent or they'd be
criminally negligent.

What happens is in many cases we're operating a
business either without any liability insurance or we are
seriously under-insured. So my simple question, why don't we
know the answer to the question of how much the State of Illinois
spends to prosecute and incarcerate and furthermore, why are we
even unwilling to ask that question.

I said before, in Illinois, there was a panel just
like this two years ago asking these questions. There was no
report issued out of that panel. There was no follow up. There
was nothing. And I asked them the same question. I can count the
compulsive gamblers that I personally have represented in a
forensic capacity in Court that the cost to the taxpayer exceeds
$1 million, and that's just several. How more are out there that
I don't know about?

So one of the things that we did, we proposed a piece
of legislation. It was submitted to the Committee that was very
simple, and the legislation is in your Exhibit packet. It's
proposed that we set up four demonstration sites in the State of
Illinois, that in those sites it simply empowered the judges to
order anyone accused of a paper crime, fraud, theft, forgery, embezzlement, to undergo an assessment for pathological gambling. How much simple could that be?

Now, that leads me into the issue of crime in the measurement. The reason that public officials can come in front of this panel and say there's been no increase in crime because we've asked the police officials, is because we're not shining the light in the right direction. We don't understand the nature of the beast that we're dealing with.

Compulsive gamblers commit crimes such as fraud, theft, forgery, embezzlement and they are not recorded on any police blotter as gambling related. So it's not going to show up in any of the crime data. If we're not shining the light in the right direction, we're not going to see what it is that we need to see. So we need to understand what the criminal activity of this population is, which means you need to understand the population. I don't think many of the economists understand the nature of the population so they don't even know the right questions to ask. That's why we don't have these kinds of critical answers.

Suicide unfortunately is a by-product, we all know that. That's real unpleasant to talk about. I think one of the things that would be very critical for the Commission to do is to empower experts in suicide and gambling to conduct a study of the link between suicide and gambling. One of the mayors yesterday was talking about a lawyer who committed suicide because of the law practice.

I would submit to you that 15 to 20 percent of lawyers do not commit suicide or attempt suicide. We know
through all the studies, and you have also in there a copy of a
survey that Dr. Henry Lesieur and I did here in Illinois through
the Illinois Council in 1995, 194 compulsive gamblers, 16 percent
of that population attempted suicide; 45 percent had a definite
plan. What other clinical diagnostic category do we have where
half of the population has a definite plan on how to kill
himself? These are real unpleasant things to talk about. So
much so that most suicides, not only do they go unreported, but
they go unreported as suicides. So if we really want to
understand the nature of the animal, we have to take a look
specifically in that direction.

Another issue, gambling and the extension of credit.
There is not a single compulsive gambler that we work with that
has not gotten himself in trouble with the extension of credit.
It's very easy and maybe we ought to have some people from the
banking industry. I did a little experiment at my house. I kept
all of the credit card solicitations for a three month period of
time and then I moved and I threw them out before I totaled up
the amount. But my belief is that I probably had over three to
$400,000 in available credit, that if I had signed all those --
and by the way, one of the ways I destroyed my life was with
credit cards. This was back in the early 1980's before the ATM.

So we had to take our credit card to the bank. They
would cut a bank draft and I had a whole series of banks up and
down Congress Avenue in Austin, Texas where I'd go to, just like
the alcoholic would have a whole string of liquor stores that
they would go into one after another because you don't want to be
in the same place twice.
It is very common for the typical compulsive gambler that we see to hold the equivalent of two, three, four times their annual income in legal credit card debt alone. Again, Henry Lesieur defined the spiral of options which simply means that gamblers go through their own money, they go through borrowed money, they go through stolen money or they sell possessions then go through stolen money. One half of the people in our survey ended up stealing money in order to finance their gambling. There is a direct cost to the taxpayer.

One other case we testified in, there was an individual who stole money in the construction business from individuals, gambled 100 percent of it away on the state lottery. So he stole money from you, gave it to the State of Illinois who then used a part of that money to prosecute and incarcerate him for stealing money from you and giving it to the state so they could then use it to prosecute and incarcerate him for stealing it from you, giving it to the state. It's all a big circle. And yet if we simply count the win side of the equation, we're missing one half of what's going on.

The industry has been, in the case of Illinois, more responsible in the states and this state has been fundamentally negligent in our opinion. The industry has provided money to establish a program and we're struggling with definition of that program. I think this is a very, very difficult issue for the gaming industry to address. By the way, I think one of the things we need to note from this is the change in names. What we do with an addiction is we change the names.

For example, I was a speculative investor when I was in action, then I realized I was a compulsive gambler. Then we
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changed the name and I realized I had a gaming problem, then we
changed the name and I realized all I have is an entertainment
problem because the legislation to legalize gambling in Cook
County has repetitively been titled as a bill to create a
metropolitan entertainment authority. So that's good news for me
as a recovering addict. I get better every time we change the
name. I don't have to do anything.

So we change the name and that seems to cloud what it
is that we're really talking about. Now, I think we've got
disordered gambling in the mix. So the industry response maybe
is something that we can talk about more if we have time to
dialogue. Thank you very much.

CHAIRMAN JAMES; Thank you.